
CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 7
Governance statement	8 - 10
Statement on regularity, propriety and compliance	11
Statement of Trustees' responsibilities	12
Independent auditors' report on the financial statements	13 - 14
Independent reporting accountant's assurance report on regularity	15 - 16
Statement of financial activities incorporating income and expenditure account	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 39

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

L Gibbs
R Stretch
A Waddy
S Walton
K Wilson

Trustees

A Garnett (appointed 1 September 2015)
A McNaney, Executive Headteacher and Accounting Officer (appointed 1 September 2015)
K Morris (appointed 1 September 2015)
A Ogden
M Park (appointed 16 September 2015)
F Sanger (appointed 16 September 2015)
S Walton, Chair of Trustees

Company registered number

07697482

Company name

Chesham Grammar School Academy Trust

Principal and registered office

White Hill, Chesham, Buckinghamshire, HP5 1BA

Company secretary

P Griffiths

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

Lloyds TSB, PO Box 1000, Andover, BX1 1LT

Solicitors

Veale Wasbrough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates primary and secondary academies in the local area. Its academies have a combined pupil capacity of 1510 and had a roll of 1441 in the school census in October 2016.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Chesham Grammar School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Chesham Grammar School Academy Trust.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Subject to the provisions of the Companies Act, every trustee or other officer of the Trust shall be indemnified out of the assets of the trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

Method of Recruitment and Appointment or Election of Trustees

The management of the Trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- o The Executive Head Teacher
- o 5 trustees, appointed by the members
- o Additional trustees appointed by the member appointed trustees
- o Any trustees appointed by the Secretary of State for Education

The term of office for any trustee is 4 years. The Executive Head Teacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the period under review, the trustees held 5 board meetings. The training and induction provided for new trustees will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy. The Trust subscribes to The Buckinghamshire Learning Trust (BLT) Governor Services Programme. All new trustees and governors in Local Governing Bodies are expected to take the induction training available. All trustees and governors have access to a wide range of face to face and online courses via the BLT package.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Organisational Structure

Chesham Grammar School Academy Trust has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the trust senior leadership team comprising the Executive Head Teacher and the Finance and Resources Director.

The Trust has considered its role thoughtfully and decided that the role of trustees is to approve the strategic direction and objectives of the trust and monitor its progress towards these objectives.

The Trust has approved a scheme of delegation which sets out a statement on the system of internal control and responsibilities. The Executive Head Teacher is directly responsible for the day to day running of the Trust and is assisted by the Finance and Resources Director.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by use of budgets and making major decisions about the direction of the Trust, including capital expenditure and senior staff appointments.

The Executive Head Teacher assumes the Accounting Officer role.

At a local level each academy has its own Local Governing Body and senior leadership team for which responsibilities are outlined within the Trust scheme of delegation.

Arrangements for setting pay and remuneration of key management personnel

The MAT senior leadership team was newly appointed to the Trust at the beginning of the accounting period and as such has not been subject to pay review during the year. Future details of pay will be dealt with by trustees through the MAT finance committee.

Related Parties and other Connected Charities and Organisations

Chesham Grammar School became a multi academy trust on 1 September having converted from a single academy trust. The name changed to Chesham Grammar School Academy Trust to reflect the change in status. As a member of the Trust Chesham Grammar School is part of the ASTRA Teaching Schools Alliance and also has a strong working relationship with The Buckinghamshire Grammar Schools (TBGS). The relationship with TBGS is defined through the Executive Head Teacher being a Director of the company.

Objectives and Activities

Objects and Aims

The principal object and activity of the Trust is the operation of Ivingwood Academy and Chesham Grammar School to provide a broad and balanced education for all pupils in the trust's care. The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Trust.

In accordance with the articles of association, the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each academy.

The Scheme of Government specifies, amongst other things, that the academies will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the academies, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, Strategies and Activities

The Trust aspires to excellence in everything it does. Trustees want the very best for all the children and young people in the Trust's schools and for all staff. This means high expectations, high quality teaching and learning and high quality learning environments. Each school in the Trust will retain its own character and individuality and together the Trust aims to be better than the sum of its parts.

The trust has undertaken self-evaluation activities to correctly identify objectives for the years ahead. The objectives for the Trust are:

- o Educational excellence –teaching and learning should be excellent so that all children reach their full potential
- o Supportive environment –leaders, staff, children and young people in Trust schools should be able to enjoy an environment where they are supported as well as challenged
- o Community engagement – the Trust will be outward looking and take an active role in the community it serves
- o School improvement – the Trust will ensure that it is on a continuous path of improvement and development in everything it does
- o Transparency and openness – the Trust will be transparent and open and communicate effectively with its stakeholders
- o Financial astuteness and probity – the Trust will always manage finances carefully, maximising opportunities to create excellent environments for learning

Public Benefit

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As an Academy Trust we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- o Raising money for local, national and international charities.
- o Providing community events such as the annual Senior Citizens' Christmas party at Chesham Grammar School.

Strategic Report

Achievements and Performance

Key Performance Indicators

2015/16 was the first year that the trust operated as a multi-academy trust.

Ivingswood Academy opened as a sponsored academy in September 2015.

KS2

Expected standard in reading: 48.3%

Expected standard in writing: 34.5%

Expected standard in maths: 41.4%

In all 3: 31%

KS1

Expected standard in reading: 27.6%

Expected standard in writing: 3.4%

Expected standard in maths: 10.3%

Phonics check end of Year 2 86.2%

EYFS

End of Foundation stage no. of pupils reaching GLD 56%

For Chesham Grammar School the GCSE Results at KS4 were as follows:

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Progress 8 Score: 0.48 (Sig+)
Av. Attainment 8 Score per pupil: 69.17
Percentage A*-C in English and Maths: 98%

Going Concern

After making appropriate enquiries, the Board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

During the period, EFA grants received totaled to £6,622,756. Capital grants of £826,211 were also received. Other income included within restricted funds totaled to £319,590. Restricted fund expenditure totaled to £7,019,927.

Most of the Academy Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy Trust also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the trust has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the schools in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plans and aims.

The trustees and Executive Head Teacher receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency. The Board also reviews longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the Academy Trust.

Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Academy Trust has or can make available to spend for any or all of the Academy Trust's purposes once it has met its commitments and covered its other planned expenditure.

More specifically 'reserves' are income which becomes available to the Academy Trust and is to be spent at the trustees' discretion in furtherance of any of the Academy Trust's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The trustees will keep this level of reserves under review at each Finance Committee meeting and aim to build and maintain the reserves level whilst in keeping with the principal object of the Academy Trust.

Total reserves at the end of the period amounted to £15,055,679. This balance includes unrestricted funds (free reserves) of £158,440, which is considered appropriate for the Academy Trust, and restricted income funds of £92,590.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totaling to £2,937,000. This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

A surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

Investment Policy

The Academy Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at trust level, which is agreed by the Trust Board. This ensures the level of funds the Academy Trust holds can cover any immediate expenditure, without exposing the academies to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies, are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2016, no investments were held.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Academy Trust's system of internal controls ensures risk is minimal in these areas.

A risk register is being established and will be updated regularly. Where appropriate, systems or procedures are being established to mitigate the risks the trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2016.

Plans for Future Periods

The Trust is focused on a model of modest sustainable growth.

Education intervention and support capacity will increase during 2016-2017 through growing internal capacity to develop a model of sustainable school improvement.

The Trust is establishing a centralised procurement strategy to realise cost savings and increased effectiveness across the Trust.

The Trust is carrying out an ongoing programme of repairs and maintenance and has a prioritised improvement plan, for which we will be applying for capital grants from the Department for Education and EFA.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust and its trustees did not act as custodian trustee during the current or previous period.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the Board of trustees, as the company directors, on 30 November 2016 and signed on the Board's behalf by:



S Walton
Chair of Trustees

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Chesham Grammar School Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chesham Grammar School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Garnett	4	5
A McNaney, Executive Headteacher and Accounting Officer	5	5
K Morris	4	5
A Ogden	5	5
M Park	4	4
F Sanger	4	4
S Walton, Chair of Trustees	5	5

Moving forward the impact of each Trust committee will be reviewed and monitored at each meeting. The trustees also intend to perform a self-evaluation review of governance in the coming year.

Key findings noted, actions taken and their impact are noted below:

- o As highlighted in Ofsted reports, leadership required improvement at Ivingswood Academy (formerly Little Spring School). As a result the Trust approved a change to the leadership of Ivingswood Academy. Internal monitoring now suggests that standards are improving across the school.
- o Given the move to multi-academy status the trust identified the need to strengthen governance arrangements both at trust level and within Ivingswood Academy. As a result the model of governance has been updated and clearer lines of delegation now exist.
- o The rate of school improvement at Ivingswood Academy led to the Trust agreeing a change to its school improvement model and to those who worked in partnership with the school to deliver this. Internal monitoring now suggests that standards are improving across the school.

In 2015-16 financial matters for the trust were handled by the full Board of trustees. For 2016-17 the Academy Trust has appointed a finance committee. Its purpose will be to receive financial monitoring reports from individual academies and consider individual academy budget proposals for authorisation. It will also approve staff pay increases.

The finance committee will also carry out the functions of an audit committee, the purpose of which is to:

- o monitor the integrity of the financial statements;
- o review internal financial controls and review the Trust's internal control and risk management systems;
- o make recommendations to the trust in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor; and
- o review the auditor's independence and objectivity.

No significant financial issues to note were dealt with during the period.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Head Teacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- o Ensuring schools in the Trust work together in the purchasing of key services. This has enabled the Trust to deliver greater economies of scale through joint procurement.
- o Ensuring that during conversion to academy status, and in joining the MAT, Ivingswood Academy retained all unspent restricted funding and additional grants were sought where available. This has enabled income generation to be maximised and for the school to be able to ensure focused spending.
- o The deployment of staff in both teaching and operational roles across the Trust. This collaboration with experienced practitioners has enabled a heightened focus on school improvement for Ivingswood Academy.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chesham Grammar School Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Board and finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mike Park, a suitably qualified trustee, to the role of Responsible Officer (RO), to carry out a programme of internal checks.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account / bank reconciliations

On a quarterly basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board can confirm that the reviewer has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

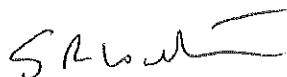
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trust Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 30 November 2016 and signed on their behalf, by:



S Walton
Chair of Trustees



A McNaney
Accounting Officer

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Chesham Grammar School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



A McNaney
Accounting Officer

Date: 30 November 2016

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Chesham Grammar School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

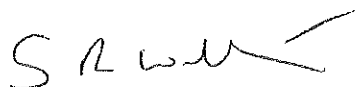
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 30 November 2016 and signed on its behalf by:



S Walton
Chair of Trustees

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHESHAM GRAMMAR SCHOOL ACADEMY TRUST**

We have audited the financial statements of Chesham Grammar School Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHESHAM GRAMMAR SCHOOL ACADEMY TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

 for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
30 November 2016

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHESHAM GRAMMAR SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 May 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chesham Grammar School Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Chesham Grammar School Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chesham Grammar School Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chesham Grammar School Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CHESHAM GRAMMAR SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Chesham Grammar School Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHESHAM
GRAMMAR SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited
Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

30 November 2016

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	3	13,735	(395,412)	4,801,441	4,419,764	792,865
Charitable activities	4	-	6,942,346	-	6,942,346	5,648,479
Other trading activities	5	135,283	-	-	135,283	99,059
Investments	6	4,293	-	-	4,293	1,954
TOTAL INCOME		153,311	6,546,934	4,801,441	11,501,686	6,542,357
EXPENDITURE ON:						
Charitable activities		121,412	7,019,927	408,116	7,549,455	6,669,095
TOTAL EXPENDITURE	9	121,412	7,019,927	408,116	7,549,455	6,669,095
NET INCOME / (EXPENDITURE) BEFORE MATERIAL ITEMS						
		31,899	(472,993)	4,393,325	3,952,231	(126,738)
Actuarial gains/(losses) on defined benefit pension schemes	26	-	(1,234,000)	-	(1,234,000)	2,000
NET MOVEMENT IN FUNDS		31,899	(1,706,993)	4,393,325	2,718,231	(124,738)
RECONCILIATION OF FUNDS:						
Total funds brought forward		126,541	(1,137,417)	13,348,324	12,337,448	12,462,186
TOTAL FUNDS CARRIED FORWARD		158,440	(2,844,410)	17,741,649	15,055,679	12,337,448

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07697482

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	16		17,202,310		13,469,673
CURRENT ASSETS					
Stocks	17	11,920		10,500	
Debtors	18	308,610		264,363	
Cash at bank and in hand		1,294,983		610,687	
		<u>1,615,513</u>		<u>885,550</u>	
CREDITORS: amounts falling due within one year	19	<u>(706,687)</u>		<u>(748,607)</u>	
NET CURRENT ASSETS			<u>908,826</u>		<u>136,943</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,111,136</u>		<u>13,606,616</u>
CREDITORS: amounts falling due after more than one year	20		<u>(118,457)</u>		<u>(136,168)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>17,992,679</u>		<u>13,470,448</u>
Defined benefit pension scheme liability	26	(2,937,000)		(1,133,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>15,055,679</u>		<u>12,337,448</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	21	92,590		(4,417)	
Restricted fixed asset funds	21	17,741,649		13,348,324	
Restricted income funds excluding pension liability		<u>17,834,239</u>		<u>13,343,907</u>	
Pension reserve		<u>(2,937,000)</u>		<u>(1,133,000)</u>	
Total restricted income funds			<u>14,897,239</u>		<u>12,210,907</u>
Unrestricted income funds	21		<u>158,440</u>		<u>126,541</u>
TOTAL FUNDS			<u>15,055,679</u>		<u>12,337,448</u>

The financial statements were approved by the Trustees, and authorised for issue, on 30 November 2016 and are signed on their behalf, by:



S Walton
Chair of Trustees

The notes on pages 20 to 39 form part of these financial statements.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	23	<u>935,519</u>	<u>85,718</u>
Cash flows from investing activities:			
Returns on Investments and servicing of finance		4,293	1,954
Cash received on conversion		39,588	-
Purchase of tangible fixed assets		<u>(284,889)</u>	<u>(242,740)</u>
Net cash used in investing activities		<u>(241,008)</u>	<u>(240,786)</u>
Change in cash and cash equivalents in the year		694,511	(155,068)
Cash and cash equivalents brought forward		<u>417,078</u>	<u>572,146</u>
Cash and cash equivalents carried forward	24	<u><u>1,111,589</u></u>	<u><u>417,078</u></u>

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Chesham Grammar School Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	125 years
Motor vehicles	-	5 years
Fixtures and fittings	-	4 and 10 years
Computer equipment	-	3 years

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.13 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses

1.15 Conversion to a multi academy trust

The conversion from a single academy trust to a multi academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Little Spring Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Income from donations and capital grants in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.16 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.

1.17 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2016 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2016.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	13,735	-	119,366	133,101	191,396
Capital Grants	-	-	826,211	826,211	601,469
Assets gifted from predecessor school	-	(395,412)	3,855,864	3,460,452	-
	<u>13,735</u>	<u>(395,412)</u>	<u>4,801,441</u>	<u>4,419,764</u>	<u>792,865</u>

In 2015, of the total income from donations and capital grants, £1,706 was to unrestricted funds and £791,159 was to restricted funds

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Chesham Grammar School Academy Trust

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General annual grant	-	6,377,373	6,377,373	5,261,012
Pupil premium	-	130,759	130,759	33,076
Other EFA income	-	114,624	114,624	-
	<u>-</u>	<u>6,622,756</u>	<u>6,622,756</u>	<u>5,294,088</u>
Other government grants				
Other government grants	-	93,529	93,529	70,000
SEN income	-	71,135	71,135	62,621
	<u>-</u>	<u>164,664</u>	<u>164,664</u>	<u>132,621</u>
Other funding				
Other income	-	154,926	154,926	221,770
	<u>-</u>	<u>154,926</u>	<u>154,926</u>	<u>221,770</u>
	<u>-</u>	<u>6,942,346</u>	<u>6,942,346</u>	<u>5,648,479</u>

In 2015, of the total income from charitable activities, £221,770 was to unrestricted funds and £5,426,709 was to restricted funds.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings Income	24,373	-	24,373	24,493
Catering Income	65,701	-	65,701	63,000
Trip Income	2,423	-	2,423	-
Other Income	42,786	-	42,786	11,566
	<u>135,283</u>	<u>-</u>	<u>135,283</u>	<u>99,059</u>

In 2015, of the total income from other trading activities, £91,591 was to unrestricted funds and £7,468 was to restricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	4,293	-	4,293	1,954

In 2015, of the total investment income, £1,954 was to unrestricted funds and £ NIL was to restricted funds.

7. DIRECT COSTS

	Educational Activities £	Total 2016 £	Total 2015 £
Educational consultancy	10,550	10,550	5,500
Technology costs	142,971	142,971	38,863
Educational supplies	95,084	95,084	62,642
Examination fees	159,335	159,335	146,151
Staff development	21,714	21,714	25,395
Teaching supply costs	101,152	101,152	90,463
Recruitment & support	37,481	37,481	51,989
Other direct costs	263,490	263,490	218,216
Wages and salaries	3,497,370	3,497,370	3,060,634
National insurance	288,879	288,879	223,824
Pension cost	571,797	571,797	422,732
	<u>5,189,823</u>	<u>5,189,823</u>	<u>4,346,409</u>

In 2015, the academy incurred the following Direct costs:

£4,346,409 in respect of Educational Activities

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. SUPPORT COSTS

	Governance	Educational Activities	Total 2016	Total 2015
	£	£	£	£
Pension finance costs- LGPS	-	58,000	58,000	43,000
Technology costs	-	27,451	27,451	30,722
Maintenance of premises and equipment	-	285,914	285,914	709,331
Cleaning	-	58,024	58,024	106,432
Rent and rates	-	35,983	35,983	33,227
Energy costs	-	84,287	84,287	75,358
Insurance	-	53,638	53,638	49,089
Professional fees	-	143,722	143,722	140,169
Catering	-	44,885	44,885	8,720
Other support costs	10,230	189,260	199,490	140,340
Wages and salaries	-	694,574	694,574	483,626
National insurance	-	46,627	46,627	30,666
Pension cost	-	218,921	218,921	140,880
Depreciation	-	408,116	408,116	331,126
	10,230	2,349,402	2,359,632	2,322,686

During the year ended 31 August 2016, the academy incurred the following Governance costs:
£10,230 (2015 - £11,350) included within the table above in respect of Educational Activities.

In 2015, the academy incurred the following Support costs:
£2,311,336 in respect of Educational Activities

9. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational Activities:					
Direct costs	4,459,198	-	730,625	5,189,823	4,346,409
Support costs	960,122	729,842	659,438	2,349,402	2,311,336
	5,419,320	729,842	1,390,063	7,539,225	6,657,745

In 2016, of the total expenditure, £121,412 (2015 - £93,068) was to unrestricted funds and £7,417,813 (2015 - £6,564,677) was to restricted funds.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	408,115	331,126
Auditors remuneration	6,750	6,750
Auditors remuneration- non audit	3,480	4,600
Operating lease rentals	35,256	26,294
	<u>453,601</u>	<u>368,766</u>

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,191,944	3,544,260
Social security costs	335,506	254,490
Operating costs of defined benefit pension schemes	790,718	563,612
	<u>5,318,168</u>	<u>4,362,362</u>
Supply teacher costs	101,152	88,475
	<u>5,419,320</u>	<u>4,450,837</u>

The average number of persons employed by the academy during the year was as follows:

	2016 No.	2015 No.
Teaching	63	64
Administration and support	55	33
Management	9	5
	<u>127</u>	<u>102</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	1

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, employer pension contributions for these staff amounted to £36,165 (2015 - £42,696).

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £168,134 (2015: £458,473).

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. CENTRAL SERVICES

No central services were provided by the academy to its academies during the year and no central charges arose.

13. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£	£
K Butcher	Remuneration	£NIL	40,000-45,000
	Pension contributions paid	£NIL	0-5,000
N Maw	Remuneration	£NIL	15,000-20,000
	Pension contributions paid	£NIL	0-5,000
B Wescomb	Remuneration	£NIL	45,000-50,000
	Pension contributions paid	£NIL	5,000-10,000
P Wayne	Remuneration	£NIL	95,000-100,000
	Pension contributions paid	£NIL	10,000-15,000
A McNaney	Remuneration	85,000-90,000	£NIL
	Pension contributions paid	10,000-15,000	£NIL

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

Other related party transactions involving the trustees are set out in note 30.

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £834 (2015 - £834).

15. PENSION FINANCE CHARGES

	2016	2015
	£	£
Interest income on pension scheme assets	63,000	51,000
Interest on pension scheme liabilities	(121,000)	(94,000)
	<u>(58,000)</u>	<u>(43,000)</u>

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	13,729,595	29,384	488,801	269,827	14,517,607
Additions	4,054,597	-	41,131	45,024	4,140,752
At 31 August 2016	17,784,192	29,384	529,932	314,851	18,658,359
Depreciation					
At 1 September 2015	676,873	23,998	163,913	183,150	1,047,934
Charge for the year	275,427	5,386	78,139	49,163	408,115
At 31 August 2016	952,300	29,384	242,052	232,313	1,456,049
Net book value					
At 31 August 2016	16,831,892	-	287,880	82,538	17,202,310
At 31 August 2015	13,052,722	5,386	324,888	86,677	13,469,673

17. STOCKS

	2016 £	2015 £
Closing stock	11,920	10,500

18. DEBTORS

	2016 £	2015 £
Other debtors	131,732	165,249
Prepayments and accrued income	176,878	99,114
	308,610	264,363

19. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other loans	62,010	57,441
Trade creditors	269,618	386,262
Other taxation and social security	97,372	75,472
Other creditors	86,748	64,933
Accruals and deferred income	190,939	164,499
	706,687	748,607

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. CREDITORS: Amounts falling due within one year (continued)

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	38,620	31,466
Resources deferred during the year	420,764	38,620
Amounts released from previous years	(38,620)	(31,466)
	<u>420,764</u>	<u>38,620</u>
Deferred income at 31 August 2016	<u>420,764</u>	<u>38,620</u>

At the balance sheet date the academy trust was holding funds received in advance for funding relating to the 2016/17 school year.

20. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>118,457</u>	<u>136,168</u>

21. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General Funds - all funds	<u>126,541</u>	<u>153,311</u>	<u>(121,412)</u>	-	<u>158,440</u>
Restricted funds					
Restricted Funds - all funds	(4,417)	6,981,934	(6,884,927)	-	92,590
Pension reserve	(1,133,000)	(435,000)	(135,000)	(1,234,000)	(2,937,000)
	<u>(1,137,417)</u>	<u>6,546,934</u>	<u>(7,019,927)</u>	<u>(1,234,000)</u>	<u>(2,844,410)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	<u>13,348,324</u>	<u>4,801,441</u>	<u>(408,116)</u>	-	<u>17,741,649</u>
Total restricted funds	<u>12,210,907</u>	<u>11,348,375</u>	<u>(7,428,043)</u>	<u>(1,234,000)</u>	<u>14,897,239</u>
Total of funds	<u>12,337,448</u>	<u>11,501,686</u>	<u>(7,549,455)</u>	<u>(1,234,000)</u>	<u>15,055,679</u>

The specific purposes for which the funds are to be applied are as follows:

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

Restricted general funds are resources for educational purposes.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

21. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>Total 2015 £</i>
Chesham Grammar School	199,977	122,124
Ivingswood Academy	51,053	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	251,030	122,124
Restricted fixed asset fund	17,741,649	13,348,324
Pension reserve	(2,937,000)	(1,133,000)
	<hr/>	<hr/>
Total	15,055,679	12,337,448
	<hr/>	<hr/>

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £	<i>Total 2015 £</i>
Chesham Grammar School	3,677,489	764,069	83,831	1,397,099	5,922,488	6,334,370
Ivingswood Academy	706,827	196,053	11,253	304,718	1,218,851	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,384,316	960,122	95,084	1,701,817	7,141,339	6,334,370
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	17,202,310	17,202,310	13,469,673
Current assets	158,440	917,734	539,339	1,615,513	885,550
Creditors due within one year	-	(706,687)	-	(706,687)	(748,607)
Creditors due in more than one year	-	(118,457)	-	(118,457)	(136,168)
Provisions for liabilities and charges	-	(2,937,000)	-	(2,937,000)	(1,133,000)
	<u>158,440</u>	<u>(2,844,410)</u>	<u>17,741,649</u>	<u>15,055,679</u>	<u>12,337,448</u>

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	3,952,231	(126,738)
Adjustment for:		
Depreciation charges	408,116	331,126
Assets gifted from predecessor school	(3,460,452)	-
Returns on investments and servicing of finance	(4,293)	(1,954)
Disposal of fixed assets	-	599
Increase in stocks	(1,420)	(5,000)
Increase in debtors	(44,247)	(13,096)
Decrease in creditors	(49,416)	(173,219)
FRS 102 pension adjustment	135,000	74,000
Net cash provided by operating activities	<u>935,519</u>	<u>85,718</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	1,292,057	610,687
Overdraft facility repayable on demand	(180,468)	(193,609)
Total	<u>1,111,589</u>	<u>417,078</u>

25. CONVERSION TO AN ACADEMY TRUST

On 1 September 2015 Little Spring Primary School joined the multi academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Chesham Grammar School Academy Trust from Buckinghamshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

25. CONVERSION TO AN ACADEMY TRUST (continued)

headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as assets gifted from predecessor school

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	3,828,141	3,828,141
- Other tangible fixed assets	-	-	27,723	27,723
Budget surplus/(deficit) on LA funds	-	39,588	-	39,588
LGPS pension surplus/(deficit)	-	(435,000)	-	(435,000)
Net assets/(liabilities)	-	(395,412)	3,855,864	3,460,452

The above net assets include £39,588 that were transferred as cash.

26. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Buckinghamshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

26. PENSION COMMITMENTS (continued)

carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £464,323 (2015 - £359,099).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £315,000 (2015 - £218,000), of which employer's contributions totalled £248,000 (2015 - £173,000) and employees' contributions totalled £67,000 (2015 - £45,000). The agreed contribution rates for future years are 22.8% for employers and 5.5 - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.
Buckinghamshire County Council Pension Fund

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

26. PENSION COMMITMENTS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2016	<i>2015</i>
Retiring today		
Males	23.8	<i>23.7</i>
Females	26.2	<i>26.1</i>
Retiring in 20 years		
Males	26.1	<i>26.0</i>
Females	28.5	<i>28.4</i>

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	1,071,000	<i>560,000</i>
Debt instruments	494,000	<i>250,000</i>
Property	160,000	<i>81,000</i>
Cash	65,000	<i>34,000</i>
Other	170,000	<i>92,000</i>
Total market value of assets	<u>1,960,000</u>	<i><u>1,017,000</u></i>

The actual return on scheme assets was £252,000 (2015 - £(32,000)).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(314,000)	<i>(197,000)</i>
Net interest cost	(58,000)	<i>(43,000)</i>
Total	<u>(372,000)</u>	<i><u>(240,000)</u></i>
Actual return on scheme assets	<u>252,000</u>	<i><u>(32,000)</u></i>

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

26. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	2,150,000	1,865,000
Upon conversion	837,000	-
Current service cost	314,000	197,000
Interest cost	121,000	79,000
Contributions by employees	67,000	45,000
Actuarial losses	1,423,000	1,000
Benefits paid	(15,000)	(37,000)
	<hr/>	<hr/>
Closing defined benefit obligation	4,897,000	2,150,000
	<hr/> <hr/>	<hr/> <hr/>

Movements in the fair value of the academy's share of scheme assets:

	2016 £	2015 £
Opening fair value of scheme assets	1,017,000	804,000
Upon conversion	402,000	-
Interest income	63,000	36,000
Actuarial gains and (losses)	189,000	3,000
Contributions by employer	248,000	173,000
Contributions by employees	67,000	45,000
Administrative expenses	(11,000)	(7,000)
Benefits paid	(15,000)	(37,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,960,000	1,017,000
	<hr/> <hr/>	<hr/> <hr/>

27. MATERIAL PENSION COST

The latest valuation of the Local Government Pension Scheme (LGPS) occurred on 31 August 2016. Since the date of the previous valuation, a number of changes, both legislative and economic, have occurred which has impacted upon the actuarial assumptions made. Consequently, a significant cost has been incurred in the current financial period which is reflective of these changes made.

28. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	26,340	17,592
Between 1 and 5 years	23,580	8,498
	<hr/>	<hr/>
Total	49,920	26,090
	<hr/> <hr/>	<hr/> <hr/>

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

29. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

30. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

31. CONNECTED CHARITIES

Chesham Grammar School Fund (CGSF) is a connected charity of Chesham Grammar School (CGS). CGSF deals with the school trips and various activities and funds set up within the school.

A summary of the unaudited accounts to 30th June 2016 are as follows:

	2016	2015
	£	£
Assets	212,104	133,194
Liabilities	(91,200)	(84,937)
Funds	120,904	48,257
Incoming resources	557,361	647,466
Expenditure	(484,714)	(652,252)
Surplus/(Deficit)	72,647	(4,786)

32. AGENCY ARRANGEMENTS

The academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the academy received £9,192 (2015 - £8,867) and disbursed £3,200 (2015 - £8,867) from the fund. An amount of £14,200 (2015 - £8,208) is included in other creditors relating to undistributed funds that is repayable to EFA.

CHESHAM GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

33. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. The table below shows the effect of the transition to FRS 102 on the SOFA for the prior year:-

				Year Ended 31 August 2015
	Notes	As previously stated	Effect of transition	FRS 102 (as restated)
Total Income		£6,542,357	£NIL	£6,542,357
Total Expenditure	1	£6,647,095	£22,000	£6,669,095
Actuarial gains and (losses) on defined benefit schemes	1	(£20,000)	£22,000	£2,000

NOTES TO RECONCILIATION

1. Local Government Pension Scheme

In the prior year, there were actuarial losses recognised on the scheme of £20,000. Under FRS 102, the following amendments have been made:

An actuarial loss of £20,000 is now an actuarial gain of £2,000

An increase of £7,000 to support staff pension costs under charitable activities;

An increase in pension interest costs by £15,000 as shown under support costs

